



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

Military Pay Allotment Policy Change Notice

AGENCY: Under Secretary of Defense (Comptroller), DoD.

ACTION: Notice.

SUMMARY: The Secretary of Defense approved establishment of policy that prohibits the use of discretionary military pay allotments to acquire personal property. His purpose in doing so is to eliminate one mechanism that predatory lenders use to take advantage of service members who finance purchases using the military pay allotment system.

To address predatory practices, the changes will prohibit active duty service members from establishing new allotments for the purchase, lease, or rental of vehicles (e.g., an automobile, motorcycle, or boat); appliances or household goods (e.g., a washer, dryer, or furniture); electronics (e.g., a laptop, tablet, cell phone, or television); or other consumer items that are tangible and movable. This change is effective January 1, 2015.

DATES: The policy change becomes effective January 1, 2015.

ADDRESSES: Written questions may be mailed to: Office of the Under Secretary of Defense (Comptroller), Attention: Director, Resource Issues, 1100 Defense Pentagon, Washington D.C. 20301-1100.

FOR FURTHER INFORMATION CONTACT: For further information, please contact Ms. Sandra V. Richardson, Director, Resource Issues, Office of the Under Secretary of Defense (Comptroller), 1100 Defense Pentagon, Washington, DC 20301-1100, sandra.v.richardson.civ@mail.mil, (703) 697-7150.

SUPPLEMENTARY INFORMATION:

Allotments remain authorized for service member payments to dependents and relatives, payment of premiums for insurance, repayment of indebtedness to the U.S. Government, mortgages, savings or other deposit accounts (for other than the prohibited purposes described above), and for Combined Federal Campaign charitable contributions, among other things.

Existing allotments involving the purchase, lease, or rental of personal property may remain in effect and the amount of such allotments may be changed. This policy change does not affect military retiree or Department of Defense civilian employee allotments. It affects active duty service members only.

This policy will be incorporated in the next published update to DoD Financial Management Regulation, Volume 7A, Chapters 40 and 42.

(Authority: 10 U.S.C. 113)

Dated: November 24, 2014.

Aaron Siegel,

Alternate OSD Federal Register Liaison Officer, Department of Defense.